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Chairman Karen Getman and Commissioners
Fair Political Practices Commission
428 J Street, Suite 800
Sacramento, CA 95814

Re: Proposed Amendments to Regulation 18616

Dear Chairman Getman and Commissioners:

This letter concerns the proposed amendment to Regulation 18616, concerning the reporting of payments in connection with attempting to influence CPUC proceedings. As you know, AB 1325, effective January 1, 2002, provides for a reduced method of reporting that allows lobbyist employers to disclose only payments made to or for their attorneys for time spent appearing a counsel or preparing to appear as counsel, and payments made to or for their witnesses for time spend testifying or preparing to testify in a covered CPUC proceeding. Gov't Code § 86116(h)(2). Proposed regulation 18616 would implement this statute by providing, in subdivision (g)(5)(A) and (B), that the lobbyist employer must report "compensation paid" to the attorneys or witnesses in question.

We agree with the proposed requirement that compensation payments for the attorneys and witnesses must be disclosed. We find subdivision (g)(5) confusing, however, insofar as it would be amended to provide that this disclosure is "in lieu of reporting expenses in accordance with subdivision (f)(1)" of Regulation 18616. Currently, the regulation states that the reduced reporting is in lieu of reporting expenses in accordance with subdivision (f) of Regulation 18616, which covers compensation to employees, as well as other expenses incurred, such as reimbursements for travel costs that are incurred in connection with the lobbying effort. It is unclear why the proposed regulation would change this cross reference to subdivision (f)(1), which creates the impression that travel reimbursement and similar payments made to attorneys and witnesses in connection with CPUC proceedings must be tracked and reported by the lobbyist employer. Reimbursement for expenses incurred by attorneys or witnesses are not payments for their time, and thus are not required to be reported by Government Code section 86116(h)(2).



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We ask, therefore, that the Commission adopt the proposed amendments to Regulation 18616 without the cross reference to subdivision (f)(1) that is contained in the first sentence of subdivision (g)(5). Accordingly, the first sentence of proposed subdivision (g)(5) would begin as follows:

"(5) Reduced Reporting. In lieu of reporting expenses in accordance with subdivision (f) of this regulation, a filer that makes payments to influence a ratemaking or quasi-legislative proceeding, as defined in Government Code Section 82002 (b) or (c), before the California Public Utilities Commission shall report, on a separate schedule furnished by the Commission, any expenses incurred in connection with administrative testimony as defined in California Code of Regulations, Title 2, Section 18239(d)(1)(B). The filer shall report the total of any payments made for the following: "

I will be available at the Commission meeting to answer any questions you may have about this letter.

Very truly yours,

Kathryn E. Donovan

cc: Luisa Menchaca, Esq.
Ms. Carla Wardlow
Mr. F. K. Lowell